

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

AUTOVOCITY TRANSPORT, LLC

Debtor

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CASE NO. 22-33814

CHAPTER 11

DEBTOR'S SUBCHAPTER V STATUS REPORT

[11 U.S.C. § 1188(c)]

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, AutoVocity Transport, LLC, Debtor and Debtor-in-Possession in the above-styled and numbered Chapter 11 case (the "Debtor" or "AutoVocity") and, in accordance with the provisions of 11 U.S.C. §1188(c), files this Subchapter V Status Report (the "Report") and would respectfully show the Court as follows:

I. BACKGROUND

1. AutoVocity manages and operates an automobile transportation company. As such, AutoVocity is primarily a service business. Its assets primarily consist of cash in its bank account, computers and phones used in the business, and account receivables.

2. Debtor filed this bankruptcy case due to unsustainable high loan payments from various merchant cash advance companies. The Debtor intends to reorganize its debts and propose a repayment plan over 60 months that is anticipated to repay all or a significant portion of its debts.

3. On December 22, 2022 ("Petition Date"), this case commenced by the filing of a voluntary petition under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 ("Bankruptcy Code").

4. On December 28, 2022, Jarrod Martin was appointed Chapter 11 Subchapter V Trustee (Docket No. 10).

5. The Debtor's schedules and statements have all been timely filed.

6. The 341 Meeting of Creditors is scheduled for January 24, 2022.

7. This Status Report is timely filed on January 11, 2023.

8. Sections 1181-1195 of Title 11 of the United States Code (Small Business Reorganization Act, “SBRA”) are intended to

“streamline the process by which small business debtors reorganize and rehabilitate their financial affairs.” Report of Committee on the Judiciary, House of Representatives, Report 116- 171, 116th Cong., 1st Sess., on Small Business Reorganization Act of 2019, page 1. As such, there are certain deadlines that must be achieved, which deadlines may be extended only if “the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.” *See e.g.* 11 U.S.C. §§ 1188(b) (court status conference within 60 days of the petition date), 1188(c) (debtor shall file and serve a report on efforts undertaken to obtain a consensual plan 14 days prior to the § 1188(b) status conference), and 1189(b) (debtor shall file a plan within 90 days of the petition date).

9. The Court, in accord with the foregoing, selected an appropriate date for the required status conference and notice of the date and time of this status conference was provided by the Court per the Order entered on December 30, 2022 (Docket No. 16). The status conference is scheduled for January 31, 2023, at 1:30 PM.

10. AutoVocity does not anticipate any concerns with timely filing its Plan of Reorganization.

II. OFFER TO ACHIEVE CONSENSUAL PLAN OF REORGANIZATION

11. One of the objectives of SBRA is to facilitate a consensual plan of reorganization by and between the Debtor and its creditors. This Report is filed and served upon all interested parties to achieve that goal.

III. PLAN PROPOSAL

12. The following is the Debtor’s report of what it believes its plan proposal for its creditors will look like and is subject to Federal Rule of Evidence 408.

13. The disputed unsecured claims of certain creditors as listed below in the Class 2 table will remain unclear until the proof of claim bar date passes. The Debtor does not know the exact amounts owed to certain disputed creditors and will not until the bar date or they file claims. Debtor anticipates that some claims may require objections and possible adversary proceedings to resolve the disputed claims.

IV. SUMMARY OF PROPOSED PLAN TREATMENT**Unclassified Administrative Expense Claims:**

Type	Estimated Amount	Treatment
Subchapter V Trustee	\$5,000.00	Through Court approved fee applications

Administrative Claims:

Description	Estimated Amount	Treatment
The Lane Law Firm	\$40,000.00 (estimated total fees)	Through Court approved fee applications

All Other Claims:

<u>CLASS</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u>	<u>METHOD OF PAYMENT</u>	<u>ESTIMATED ALLOWED CLAIM</u>	<u>ESTIMATED DISTRIBUTION</u>
Class 2 Tax Claims	Internal Revenue Service and Texas Workforce Commission	No	Full amount of the claim on the Effective Date of the plan	\$16,165 total for this class	Full amount of the claim(s).
Class 3 Secured Claims	U.S. Small Business Administration	Yes	Up to amount of collateral secured by the loan (approximately \$125,000) to be paid as a secured claim at 5.25% interest per annum over 60 months. The remaining \$372,503 to be paid as an unsecured claim.	\$497,503.00	\$2,373.25 per month for 60 months.
Class 4	General Unsecured Claims	Yes	Pro Rata distribution from unsecured creditor pool paid following payment of all allowed secured claims and all allowed administrative expense claims.	Unclear at this time, but claims may approach or exceed \$500,000, including the unsecured portion of the U.S. SBA's claim.	60 months as determined by the liquidation analysis and/or results of objections.

V. CONCLUSION

14. The Debtor is asking you to consider the foregoing proposal and provide feedback to facilitate the confirmation of a consensual plan. As referenced above, a status conference on this matter will be held on January 31, 2023, at 1:30 PM.

Respectfully submitted,

THE LANE LAW FIRM, PLLC

/s/Robert C. Lane

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PROPOSED COUNSEL FOR DEBTOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Debtor's 1188 Status Report was served upon the US Trustee and to the parties listed on the service list below and the attached mailing matrix either via electronic notice by the court's ECF noticing system or by United States first class mail, postage prepaid, on January 11, 2023:

Debtor:

Autovocity Transport, LLC
2925 Richmond Ave, Ste 1200
Houston, TX 77098

US Trustee:

Office of The United States Trustee
515 Rusk Street, Suite 3516
Houston, TX 77002

Notice will be electronically mailed to:

Jeannie Lee Andresen on behalf of Creditor Harris County
houston_bankruptcy@lgbs.com, chymel@dorelaw.com

Alicia Lenae Barcomb on behalf of U.S. Trustee US Trustee
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Chad Wesley Cowan on behalf of Creditor SBA
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US Trustee
USTPRegion07.HU.ECF@USDOJ.GOV

/s/ Robert "Chip" Lane
Robert "Chip" Lane

Label Matrix for local noticing 0541-4 Case 22-33814 Southern District of Texas Houston Wed Jan 11 14:42:50 CST 2023	AutoVocity Transport, LLC 2925 Richmond Ave. Suite 1200 Houston, TX 77098-3143	Harris County Linebarger Goggan Blair & Sampson LLP C/O Jeannie Lee Andresen P.O. Box 3064 Houston, Tx 77253-3064
4 United States Bankruptcy Court PO Box 61010 Houston, TX 77208-1010	G&G Funding 57 West 57th Street 4th Floor New York, NY 10019-2827	Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101-7346
Novus Capital Funding 7 Elmwood Drive Suite 301 New City, NY 10956-5144	Rafael Dominguez, Jr 419 E. 24th Houston, TX 77008-2348	Regus Management Group LLC 15305 North Dallas Parkway 400 Addison, TX 75001-6922
Samson MCA LLC 17 State Street 6th Floor New York, NY 10004-1501	Simply Funding LLC 45 Broadway Suite 2450 New York, NY 10006-3760	Texas Workforce Commission PO BOX 12548, MC-008 Austin, TX 78711-2548
The Lane Law Firm 6200 Savoy Dr Ste 1150 Houston, TX 77036-3369	U.S. Small Business Administration 1545 Hawkins Blvd 202 El Paso, TX 79925-2654	US Trustee Office of the US Trustee 515 Rusk Ave Ste 3516 Houston, TX 77002-2604
Vault Capital 506 2nd Ave Unit 2200 Seattle, WA 98104-2359	Vivian Capital Group 486 Market St Newark, NJ 07105-2916	Jarrod B Martin Chamberlain Hrdlicka 1200 Smith Street Suite 1400 Houston, TX 77002-4496
Robert Chamless Lane The Lane Law Firm 6200 Savoy Drive Ste 1150 Houston, TX 77036-3369		

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) SBA	(d) AutoVocity Transport, LLC 2925 Richmond Ave. Suite 1200 Houston, TX 77098-3143	End of Label Matrix Mailable recipients 18 Bypassed recipients 2 Total 20
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